



THE CITY OF SAN DIEGO

FAQs #1 – FY 2014 CDBG Applications

QUESTIONS & ANSWERS FOR THE OCTOBER 15, 2012 – OCTOBER 25, 2012 PERIOD

Posted October 26, 2012

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SUBMITTAL & APPLICATION FORMAT REQUIREMENTS

Q1: Are fonts automatically set in the Application for Funding form?

The application is preformatted so that every respondent has to abide by the set margins, the font type and size (Calibri, 11 points size) and the set line spacing. With that said, note that applicants may insert tables, bullet points and/or numbered lists in any space of the application that states “Type Response Here”.

Q2: What is the correct font size for the Application for Funding form?

The font size that must be used is 11 points (disregard the reference to 10-point font size on page 7 of the Application Handbook—it is an error).

Q3: Are we required to submit the FY 2012 Audited Financial Statements and Federal Tax Form 990 and State Tax Form 199?

The subject documents are required of all applicants that constitute non-governmental agencies. The FY refers to the FY of the applicant agency. If the Audited Financial Statements for FY 2012 (and/or forms 990 & 199 for FY 2012) are not available at the time the application is due, the Audited Financial Statements for FY 2011 and/or forms 990 & 199 for FY 2011 must be submitted in lieu, with the understanding that if the project is selected for funding, the FY 2012 documents must be submitted on or before 5/15/13. If this deadline is not met, the project will not be funded, and funds will be allocated to another project.

Q4: Are we required to submit the FY 2012 Audited Single Financial Statement?

The Audited Single Financial Statement for FY 2012 is required of all applicants that constitute non-governmental agencies and spent \$500,000 or more in Federal funds during FY 2012. Again, the FY refers to the FY of the applicant agency. If the Single Audited Financial Statement for FY 2012 is not available at the time the application is due, the Single Audited Financial Statement for FY 2011 may be submitted in its place, with the understanding that if the project is selected for funding, the Audited Single Financial Statement for FY 2012 must be submitted on or before 5/15/13. If this deadline is not met, the project will not be funded and funds will be allocated to another project.

Q5: As a policy, we don't release addresses and email addresses of our board members. Is this required for the board roster form, or may we have the addresses as "in care of" our organization?

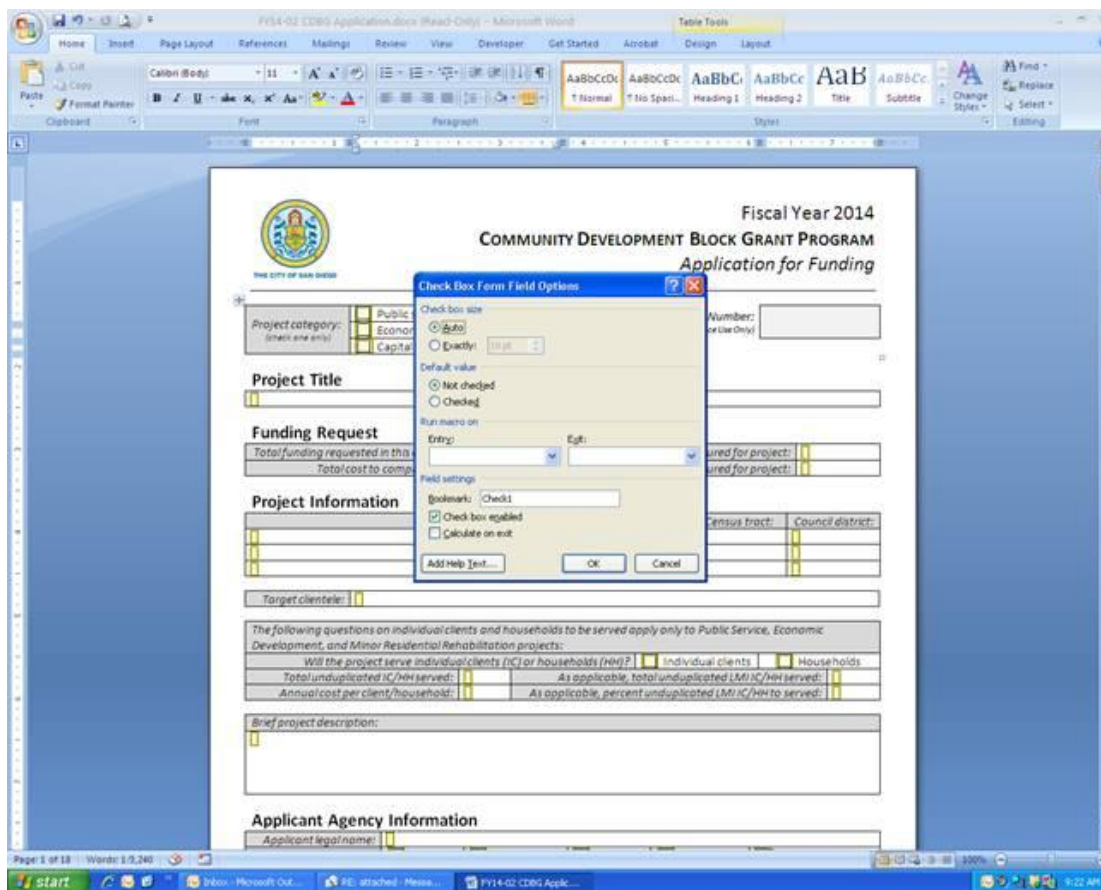
Note that we decided not to require that information, and we have posted information to this effect on our website. Please omit form named "Current Board of Directors/Governing Board" from your submittal and provide the information requested in Appendix F of the Application for Funding form.

Q6: Do you have a template for the wording of the resolution that the Board is required to sign? We do not have a template nor required language. The only requirement is for the form/resolution to state that the Board authorizes the agency to submit an application for FY 2014 CDBG funds for the specified project.

Q7: For letters of support, are scanned copies allowable or are originals required? Original letters (with wet signatures) must be submitted along with 6 copies of each letter. Note that no more than 3 letters of support may be submitted.

Q8: How do I place X's in the Checklist form?

In order to mark the checkboxes, you need to double click on the applicable check box so that the dialog box below appears:



Then you need to choose "Checked" under "Default value" and press "OK" to get the X to appear.

Q9: In regard to Section 5.2 and Appendix E, do we need to include other CDBG grants (such as those from Lemon Grove and Escondido) or just list City of San Diego CDBG grants? Submit information only for CDBG funds that have been granted by the City of San Diego during FY 2010–2012, inclusive of those years.

Q10: For Section 5.2 and Appendix E, do we also need to include reporting for CSFP and EFAP grants received? Yes, but do let us know how many forms you would then be required to fill. We are trying to be judicious and may cap the amount of forms required.

Q11: Question 5.2 asks, “Has your agency received CDBG or other federal funds in any of the past four fiscal years (Fiscal Years 2010 through 2013)? If yes, complete Appendix E for each of the grants received for the three Fiscal Years 2010, 2011, and 2012.” Agency XX would answer “Yes”, because our Agency XX received funding in 2013, but the instruction asks those who answer “Yes” to complete Appendix E for fiscal years 2010, 11 & 12. Is it wrong to answer in the affirmative, but not complete Appendix E? No, it is not wrong. The required forms per Appendix E apply only to FY 2010–2012, inclusive of those years.

Q12: If the construction bid is in process, can we submit after the deadline if it is not completed in time? No. A signed construction bid from a California licensed contractor to arrive at project budget (not older than 30 days from application due date) is required. The bid must take into consideration federal prevailing wages and fringe benefits applicable to the project due to the Davis-Bacon Act and related provisions. The bid must explicitly state that the Davis-Bacon Act and related provisions have been taken into consideration.

GENERAL QUESTIONS

Q13: Where can I find a list of the “Eligible Activities”? Refer to the Application Checklist, which includes 3 lists of eligible activities, one for each project category. Please note that only one activity is permitted per application. Let us know if you have any questions specific to the activities listed inclusive of what said activities encompass.

Q14: How do I determine whether my “project category” is Public Service or Economic Development or Capital Improvement Project (CIP) or Minor Residential Rehabilitation (MRR)? The “project category” is determined by your selection of the “CDBG Eligible Activity” in the Application Checklist. Note that MMR projects are a subset of CIP projects.

Q15: Agency XX operates several facilities where we provide certain services. If we are considering applying for CIP projects for more than one of our sites, would we need to submit a separate application for each? Yes, an application would be required for each facility.

Q16: Can CDBG moneys be used to acquire technological equipment? No. Per 24 CFR § 570.207, the purchase of equipment with CDBG funds is generally ineligible.

Q17: Does the City fund the acquisition of real property with CDBG funds? The City does not fund acquisition projects. The choices of projects funded by the City are limited to those identified in the checklist under “Eligible Activities.”

Q18: Could CDBG funds be used to advertise for the bids we would need to get for the project? Yes, CDBG funds can be used toward Construction Contract Advertisement expenses.

Q19: Does the five years of site control referenced in QB.8 include options to extend leases? [Options to extend are not acceptable.](#) Eligibility will be determined by the termination date on the lease agreement

Q20: Does the City fund existing public service programs with CDBG funds or will the funding this year be for new programs/projects only? In order to utilize CDBG funds for a public service, the service must be either: (1) A new service; or, (2) A quantifiable increase in the level of an existing service. Refer to 24 CFR § 570.201 for further details.

Q21: Is there a document identifying funding priorities? Funding priorities are guided by the Consolidated Plan Goals. See page 20 of the [FY2014 CDBG Application Handbook](#) for the list of goals in their order of priority for FY 2014. For further details regarding the seven goals that are referenced in the Handbook, you may want to refer to [Appendix D: Consolidated Plan Goals, Objectives, & Outcomes](#) of the FY 2012 Consolidated Annual Performance and Evaluation Report (FY 2012 CAPER). Another useful resource may be [Table 4F](#) of the FY 2012 CAPER which sorts projects currently active in accordance with the goal they meet. Projects are described in [Appendix H](#).

Q22: Agency XX, which provides a certain public service, wants to request CDBG funding for tenant improvements within their facilities. I don't see any of the applicable seven goals (pages 20 & 21 of the Handbook) as a good fit for this type of project. Is this correct? Such a type of project would fit under the goal which reads "Improve the condition of the City's housing stock and facilities that serve LMI persons." Refer the [FY 2013 Action Plan](#) (pages 8–11) for a list of the currently active projects that have been funded under the same goal.

Q23: Agency XX is applying for funding for a public service project. Do we have to respond to questions B.8–B.16? No. Questions B1–B.16 (pages 10–12) apply only to CIP projects which include Minor Residential Rehabilitation (MMR) projects. None of these questions apply to *Public Service or Economic Development projects*.

Q24: How much in CDBG funding will be available to Public Services project after subtracting the off-the-top moneys to the San Diego Housing Commission for certain homeless services and shelters (referenced in page 5 of the Application Handbook)? It is estimated that the City of San Diego will receive approximately \$10.7 million in CDBG entitlement funds (based on the moneys received for FY 2013) and approximately \$3.98 million in program income for the Fiscal Year (FY) 2014 CDBG Program. Based on this information, it is estimated that approximately \$884,000 would remain for other Public Service purposes.

Q25: The Handbook states that among the criteria considered by the Board in rating the applications, the following is included: "The CDBG funds requested represent less than 50% of the overall project costs." Are applicants required to ask for no more than 50% of the project costs? No, this is not a requirement, but it is part of the criteria to be considered by the Board for scoring the applications. As such, those applications that meet or surpass the 50% mark in terms of leveraged funds are likely to be more competitive.

Q26: Can Agency XX make “its case” at the CPAB Board’s review meeting? Yes, these meetings are open to the public and allow for public comments.

Q27: If Agency XX seeks funds to implement a CIP project at a facility where we serve a Limited Clientele, would our project automatically choose said population under Q1.8 (the subject facility is not within an eligible census tracts)? Public facility improvements funded by CDBG may sometimes qualify under the Limited Clientele criteria of the LMI national objective. In this instance, the facility must benefit a specific targeted group of persons (LMI or presumed LMI, *limited clientele*). This can be achieved by meeting one of the following criteria:

- Serving at least 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income;
- Having income-eligibility requirements that limit the service to persons meeting the LMI income requirement, as evidenced by the administering Agency’s procedures, intake/application forms and other sources of documentation;
- Serving a group primarily presumed to be LMI such as abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers

Note that the project you describe, which would yield benefits to a limited clientele, would NOT fit within the area benefit criteria (Q1.8). In order to qualify for the area benefit criteria, the public facility/improvement must benefit **all** residents of an area where at least 51 percent of the residents are LMI.

Q28: In regard to Seniors/LMI, just to confirm, in the past we have been told that seniors are LMI. Is this still correct (our project pertains to housing activities)? Correct. A public service or CIP project may serve strictly an LMI population or “a group primarily presumed to be LMI such as abused children, battered spouses, **elderly persons**, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers” (see HUD Basic CDBG Guidelines, [Chapter 7](#) & [Chapter 4](#)). Note that depending on the nature of the project, income requirements are still applicable—see below.

Beyond the presumed LMI, you would need to determine whether your project qualifies as a Limited Clientele (LMC) or Housing (LMH) project under Q1.8. If the CIP housing project is for a facility that serves individual clients (i.e., transitional, short-term housing), then that will be a LMC project, and the “presumed LMI” definition is allowable. However, if the improvements are to be made to residential housing units (single-unit or multi-unit housing) where rental/lease agreements will be executed, then this would be an LMH project; income verification must be documented and a certain percentage of the units must be made available to LMI clients (i.e., 100% for single-family units and 51% or more for multi-family units).

Q29: In regard to Appendix C-4: I believe that during the workshop, it was stated that design services are not covered by the CDBG funds. However, in Appendix C-4: Development / Capital Improvement Project (Schedule 1 – Budget Exhibit), there is a line for CONSULTANT/PROFESSIONAL SERVICES. Would design not be able to fall under that category? You are correct on both accounts; however, the City does not cover design expenses. Note, however, that modification of existing plan drawings required by



the Development Services Department to approve/issue permits to complete the Scope of Work called out for in the Agreement is an allowable expense.

Q30: The Roster of Board Members & Professions (Appendix F) does not have enough lines to accommodate all of our board members. What should we do in this scenario? We have posted a new application for funding form which provides 40+ line items for Board members in Appendix F (download from [FY 2014 CDBG Application](#)). If you have made significant progress on the application thus far, do let us know we will provide a page for Appendix F to be submitted along with the Application for Funding form.

FISCAL/BUDGETARY FORM QUESTIONS (APPENDIX C)

Q31: In regard to Appendix C-3 (Indirect cost/Administrative overhead), is the indirect rate limited to 15% of the total budget? What if our organization has a federally negotiated indirect rate greater than 15%? CDBG projects cannot use the federal indirect cost/fringe benefits rate approved for other federal grants. The federal rate is for funding directly distributed to agencies from federal departments as federal grants.

Q32: In regard to the Cash Rule (Appendix C-2): Do we use our cash balance for the previous year (from single audit) or from a monthly financial statement? The Cash Balance from the prior year financial statement should be used. All applications require an audited 2012 financial statement with an unqualified opinion or a 2011 audited financial statement until the 2012 is available, no later than 5/13/2013.